



Irish Life Weekly Investment Bulletin

The week that was – WEEK 41 2018 (ending 12/10/2018)

“Trust yourself, you know more than you think you do.” – Benjamin Spock

Irish inflation up to 0.9% in September – The Central Statistics Office has reported an annual inflation rate of 0.9% in September, up from the 0.7% recorded in August. The largest increases were in Housing, Water, Electricity & Fuels (+6.3%), Alcoholic Beverages & Tobacco (+3.2%) and Restaurants/Hotels (+2.2%).

Irish residential property prices rose by 8.6% y-o-y in August – Latest figures from the Central Statistics Office show that national level residential property prices increased by 8.6% year-on-year in August, with Dublin prices up by 6.1%, the Rest of Ireland by 11.4% and Mid-West region prices the highest at 21.5%.

Global stock market down 4.1% on the week – The MSCI AC World TR Index showed a -4.06% return from 5th October to 12th October as concerns continued about U.S. interest rate increases being steeper and more frequent than previously expected. The Vix (Volatility Index) closed the week at 21.31, increasing from 14.82.

IMF cuts global growth forecast for 2018 and 2019 to 3.7% – In its quarterly World Economic Outlook Report, the International Monetary Fund reduced its forecast for global growth in 2018 and 2019 to 3.7% from the 3.9% estimate in July as it expressed concerns about global trade tensions and also emerging markets.

Trump slates Fed on rate rise policy – President Trump again criticised the Federal Reserve and their interest rate policy saying - "They're so tight. I think the Fed has gone crazy,". However the National Economic Council director Larry Kudlow disagreed saying he thinks that Fed Chairman Jerome Powell is "on target".

Italian government not for turning despite jump in bond yields – Yields on Italian 10-year government bonds hit 3.71% during the week as concerns increased about the country's budget deficit and government finances. Despite this, the Deputy Prime Minister Matteo Salvini insisted that the budget won't change.

The Story of the week: Boston Pizza, a Canadian-based pizza restaurant chain who also sell into U.S., has just created a very useful invention for their lazier (or hungover) customers – a pizza box that turns into a cardboard food bed-tray so that they can eat their favourite take-away in a comfortable, horizontal and very lethargic position. The Canadian company teamed up with the John St advertising company to design the ingenious box - "It's a simple idea, but a lot of thinking went into making sure it would actually work," said Paul Little, creative director at the ad agency.

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Index Performances and Market Data*

Equity and Bond Markets % (in Local Currency)	2013	2014	2015	2016	2017	2018 YTD (to 12/10)
MSCI AC World (Gross TR)	26.2	9.9	1.8	9.7	20.4	0.1
ISEQ Overall Return	35.8	16.8	33.6	-2.7	9.7	-12.1
FTSE 100 TR	18.7	0.7	-1.3	19.1	11.8	-5.8
Euro Stoxx 50 TR	21.5	4.0	6.4	3.7	9.2	-6.6
S&P 500 TR	32.4	13.7	1.4	12.0	21.8	5.1
Nasdaq Composite	38.3	13.4	5.7	7.5	28.2	8.6
Nikkei 225	56.7	7.1	9.1	0.4	19.1	-0.3
MSCI Emerging Markets	0.9	2.6	-8.0	7.1	27.8	-10.4
Eurozone Government Bonds 1–5 yr	2.1	3.4	1.0	0.9	-0.2	-1.3
Sovereign 10yr Bond Yields (%)	2013	2014	2015	2016	2017	2018 YTD
U.S.	3.0	2.2	2.2	2.4	2.4	3.2
German	1.9	0.5	0.6	0.2	0.4	0.5
UK	3.0	1.9	1.9	1.2	1.2	1.6
Japan	0.7	0.3	0.2	0.0	0.0	0.1
Ireland	3.4	1.3	1.1	0.7	0.7	1.0
Italy	4.1	2.1	1.6	1.8	2.0	3.5
Greece	8.2	9.6	7.9	7.1	4.1	4.4
Portugal	6.1	2.7	2.5	3.8	1.9	2.0
Spain	4.1	1.6	1.7	1.4	1.6	1.7
Central Bank Rates (%)	2013	2014	2015	2016	2017	2018 YTD
ECB	0.25	0.05	0.05	0.0	0.0	0.0
Bank of England	0.25	0.50	0.50	0.25	0.50	0.75
U.S. Federal Reserve	0.25	0.25	0.50	0.75	1.50	2.25
Foreign Exchange Rates	2013	2014	2015	2016	2017	2018 YTD
Euro/Dollar (€/\$)	1.37	1.21	1.09	1.04	1.20	1.16
Euro/Sterling (€/£)	0.83	0.78	0.75	0.84	0.89	0.88
Sterling/Dollar (£/\$)	1.65	1.56	1.46	1.24	1.36	1.31
IPD All Property Return % (in Local Currency)	2013	2014	2015	2016	2017	2018 YTD
Ireland	12.3	36.1	25.1	12.6	8.1%	5.5% (To end of Q2)
U.K.	10.9	17.9	13.3	3.6	10.3%	3.7% (To end of Q2)
U.S.	11.6	11.5	12.5	7.7	7.1%	3.7% (To end of Q2)

*Past performance is not a reliable guide to future performance and may fall as well as rise.